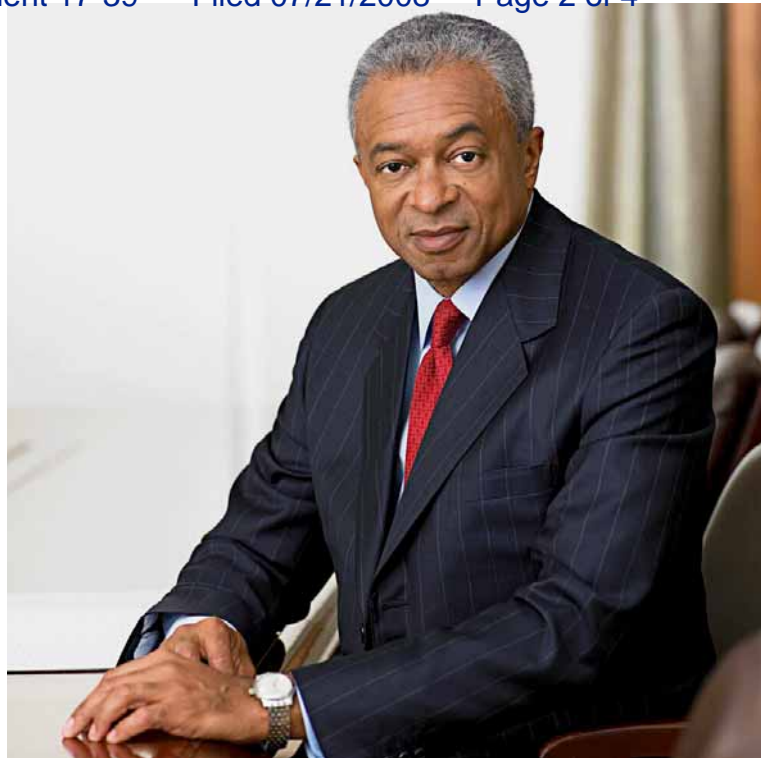


EXHIBIT LL



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All the prior work dovetails with the explosion of activity in the global marketplace for which we've been preparing. We add more value for clients than ever before and, in the process, drive more value for our shareholders with record financial performance and continued progress on our strategic imperatives.

Dear Fellow Shareholders and Clients:

I am pleased to report that, by virtually any measure, Merrill Lynch completed the most successful year in its history — financially, operationally, and strategically. After several years of restructuring and investing in our business, all of the components came together to reflect a company capable of strong, disciplined performance with tremendous potential for future success.

Revenues, earnings, earnings per share and return on equity all grew strongly as a result of our continued emphasis on broadening the asset classes and capabilities we offer clients, expanding our geographic footprint, diversifying our revenues, managing and deploying our capital more effectively and investing in top talent from within and outside the company.

Our financial results underscore that progress:

- Net earnings of \$7.5 billion, up 47% from 2005 and 69% from 2004;
- Earnings per diluted share were \$7.59;
- Net revenues increased 33% to \$34.7 billion;
- Pre-tax profit margin rose to 30.1%;
- Return on common equity (ROE) increased to 21.3%;
- Book value per common share increased to \$41.35;
- 2006 dividends on common stock increased 32% to \$1.00 per share.

Each of our geographic regions generated impressive growth and, following what we see as a long-term trend, we recorded the largest percentage of revenue from non-U.S. business in firm history. The growth was also broad-based in terms of business mix with strong year-over-year results reported in Global Markets & Investment Banking and Global Wealth Management, which includes our Global Private Client and Global Investment Management businesses.

Beyond Financial Performance

But to me, our success is about more than just financial performance. It is also about the company's strategic progress. We are better positioned than ever to meet the demands of the marketplace. We've accomplished this by continuing to work on two fronts: creating a set of capabilities that enable our clients to capture opportunities wherever and whenever they occur; and building a culture that allows us to fully capitalize on those capabilities.

Building Our Capabilities

Perhaps the most significant achievement for the company last year was our successful combination of Merrill Lynch Investment Managers (MLIM) with BlackRock, Inc. This merger created an asset management firm with global reach, \$1 trillion in assets under management, a healthy balance between equity and fixed income and an attractive balance of individual and institutional clients. Importantly, our shareholders maintain a significant investment in the new BlackRock, a company almost twice the size of MLIM with a powerful growth trajectory.

We also took a number of steps to further round out our capabilities. We acquired First Franklin, one of the nation's leading originators of residential mortgage loans, adding scale to our mortgage platform and providing a robust source of origination for our securitization and trading operations. We acquired Petrie Parkman & Co., a leading investment bank for the North American oil and gas industry and a perfect complement to our rapidly growing commodities platform. We reorganized our institutional fixed income division to better manage risks, improve efficient use of the firm's balance sheet and enhance growth prospects, and we continued to expand our private equity activities with several major investments in leading companies. On the wealth management side, we became fully operational with our joint venture in Japan, and we acquired a company called Equity Methods, adding increased financial reporting and forecasting capabilities to our retirement group.

These advancements and others build on all that we've done over the last few years — the expense discipline, the repositioning of the business, the investments in people and technology, and more than 30 acquisitions, joint ventures and other transactions. We are continually evolving our platform to stay ahead of the marketplace and our clients' needs.

Strengthening Our Culture

At the same time, we're working to evolve our culture to ensure that we maximize our value to clients and shareholders. We have a strong foundation of decency, integrity, dedication, discipline and client focus. Now, we're combining that with an overarching commitment to collaborating across the firm. We need to leverage all the resources we have — spanning business, functional and organizational lines — to be more effective at consistently creating value. Investment banking relationships may have a private equity component or benefit from a structured finance solution. Advisory assignments may offer financing and hedging opportunities. Our institutional capabilities can create and deliver investment products for our private clients. The list goes on and on. It is long and it defines our next set of great opportunities. We've made tremendous progress already, and I'm convinced that we can unleash so much more value from what we've built.

A lot of this comes down to leadership. Our senior management team is among the most professionally and culturally diverse in the industry, and we are working together better than ever before. We complement each other's strengths and expertise and are benefiting tremendously from continuity, which is critical, because all of our achievements are following a steady progression.

In our business, opportunities are defined by market conditions at any given point in time. We add enormous value, have a great brand, market presence, terrific people and an incredible roster of clients, but we cannot control market conditions. What we can control — and what we're focused on — is extracting the maximum value possible for the benefit of our clients, shareholders and employees. We have done a good job — but we can do better. That's good news. There is tremendous upside, because the environment for the intermediate and long term should continue to be very constructive.

An Extraordinary Time of Global Capitalism

This is an extraordinary time in the financial services industry. We are participating in the confluence of a number of long-term trends. More and more countries around the world are embracing capitalism to some degree and participating in the global economy. This is combining with technological innovation and significant investments in connectivity and software to create a truly global capital marketplace. Now, different economies, companies and individuals are all competing for, and contributing to, the world's resources with more liquidity moving more quickly around the globe than ever before in history. Not surprisingly, in this environment, Merrill Lynch is doing exceptionally well. To some extent, we anticipated these developments and have been investing to capture the opportunities.

We find ourselves in a remarkable position at the center of global capitalism — the most powerful force for improving lives and creating wealth that the world has ever known. All of us are proud of what we do and excited by a future that is literally brimming with opportunity. In 2006, we demonstrated our true potential for performing at the top of our industry. In 2007, we can achieve even more. Together, we can and will continue to grow our business, lead this incredible force of global capitalism and validate the tremendous confidence that you, our shareholders, have placed in this organization and each of us.

Sincerely,



Stan O'Neal

Chairman and Chief Executive Officer

February 22, 2007